

hilippines

Ships and Sugar

By George H. Fairchild

Philippine Education and Literacy

No.1 Market for U.S.Flour

By Herman Fakler

Oil in the Philippines

By H. Foster Bain



College Days in Manila

The Philosophy of Leaving Home

An Editorial

IN days such as these, when the lives of small nations, are frequently snuffed out between sunset and sunrise, particular hardihood is necessary to discuss such a subject as independence for the Philippines. The tragic history of the past two years shows all too well what can happen to even the proud and strong. Neither courage nor peaceful intentions nor a passion for human progress is insurance against armed might, loosed without provocation. What, therefore, can be said about a nation of 16,000,000 preparing to make its own way in the modern world?

The Philippine independence movement has been the cause of a great deal of misunderstanding in the United States. This movement has often been misrepresented as one based on ingratitude and unfriendliness toward the American people. It is occasionally described as a political maneuver, with little popular backing. Frequently the situation is held to be the result of agitation by certain American interests, who feared the competition of Philippine products. None of these theses is accurate. Certainly, ingratitude has no place in our hearts.

An easy way to understand the Philippine desire for independence is by analogy. The youth who reaches maturity and longs to leave the family home for a life in which he must depend on himself is a close parallel to our situation. In his father's house, the boy may enjoy great comfort and protection from want; going out into the world may be uncertain and fraught with terrible hardships. From the standpoint of his immediate well-being, the son would be well advised to stay close to the family table. Nevertheless, he is ready—even determined—to take all the knocks and setbacks necessary to make him finally an upstanding citizen.

The Filipinos are that youth. They have been taught by their parent country, the United States, the virtue and desirability of freedom and self-determination. The lessons of the American revolution—in which the 13 colonies embarked on an independent course under circumstances not a shade more favorable than those facing the Philippines today—were not lost on them. The Filipino people would be unworthy in their own minds, and certainly by the measure of American standards, if they did not have that urge toward self-government. Americans should have no difficulty understanding—and appreciating—a determination that is so characteristically American. Far from inferring disloyalty or ingratitude, the Philippine independence movement signifies an unswerving belief in the ideals taught by the United States.

No responsible Filipino denies the immeasurable value of the spiritual and material blessings heaped on the

Philippines during the past four decades of American rule. Our Commonwealth status today is concrete evidence of the advancement we have made in these years. We know that we enjoy far more freedom than do many supposedly independent States. It is because we have made this great progress that we desire to push forward to complete independence.

To understand that feeling, think again of the youth who wants to leave home. Under his parents' roof, this boy has things very much as he wants them. He is assured of protection; he is assisted in preparing himself for the future. But, at the same time, he is subject to many humiliating restrictions. His companions are chosen for him; important decisions in his life are made over his head; and his daily activities are forever subject to shifting family circumstances. All these are perfectly natural to expect when the lad is in his 'teens. They become less bearable as the boy matures. Eventually, they become intolerable. The youth—if he has any spirit—longs for complete independence. He insists on the right to be master of his own fate, regardless of whether his decisions are wise or foolish.

The parallel between the home-bound youth and the Filipinos is obvious. Who can blame the 16,000,000 Filipinos if they desire independence? To a spirited race the feeling is as natural as the urge to breathe.

No believer in democracy can find fault with these objectives. The only point open for discussion is whether the youth of our analogy has obtained the maturity necessary for a successful independent career in a predatory world. Inevitably, there is disagreement on this. But what young man of spirit is willing to watch from the window of his parental home until everyone agrees that he is strong enough to fend for himself?

There is honest doubt as to what will happen to the Philippines once the Stars and Stripes are hauled down. Many Americans are convinced that the new-found freedom will speedily be lost again. Students of economy see an even greater danger in the probable dislocation of Philippine commerce once the present modified free-trade ties with the United States are cut. Naturally, informed Filipinos see these hazards and share these misgivings. But it is significant that—despite the obvious disadvantages and dangers—there is no important body of opinion in the Philippine Commonwealth today that opposes independence. The parallel with the ambitious youth still holds true. The prospect of hardship and privation is not enough to discourage a nation determined to establish itself as an upstanding member of the world community. ★



Manuel L. Quezon, President of the Philippine Commonwealth (right), accepts the congratulations of Nationalista Party leaders on his nomination to serve a second term. Manuel Roxas, former Secretary of Finance (center), Assemblyman Sotto of Davao.



Delegates to the Nationalista Party convention in Manila hear their leaders pledge loyalty to the United States.



Filipino women were well represented at the Nationalista convention. The Philippines is the only nation in the entire Far East enjoying feminine suffrage.



Commonwealth labor leaders pledge their support to Lieut. Gen. Douglas MacArthur on his appointment as commander of all U. S. Army Forces in the Far East.



Planes and personnel of the Philippine Army Air Force being inducted into the service of the United States on an army air field outside Manila.

The Philosophy of Leaving Home

An Editorial

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Back Cover: Play Day at the University of the Philippines, Manila

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University of the Philippines co-eds, hurrying to class in the heart of Manila, symbolize the great strides education has made in the Philippines during 40 years of American rule.

In This Issue

GEORGE H. FAIRCHILD, doyen of sugar men in the Commonwealth and head of the important Philippine Sugar Association, is at present in the United States seeking ships to transport crude sugar across the Pacific.

DR. CAMILO OSIAS, prominent as an author and educator, is chairman of the Philippine National Educational Council.

HERMAN FAKLER, vice-president of the Millers' National Federation, is the chief representative in Washington of the American flour milling industry.

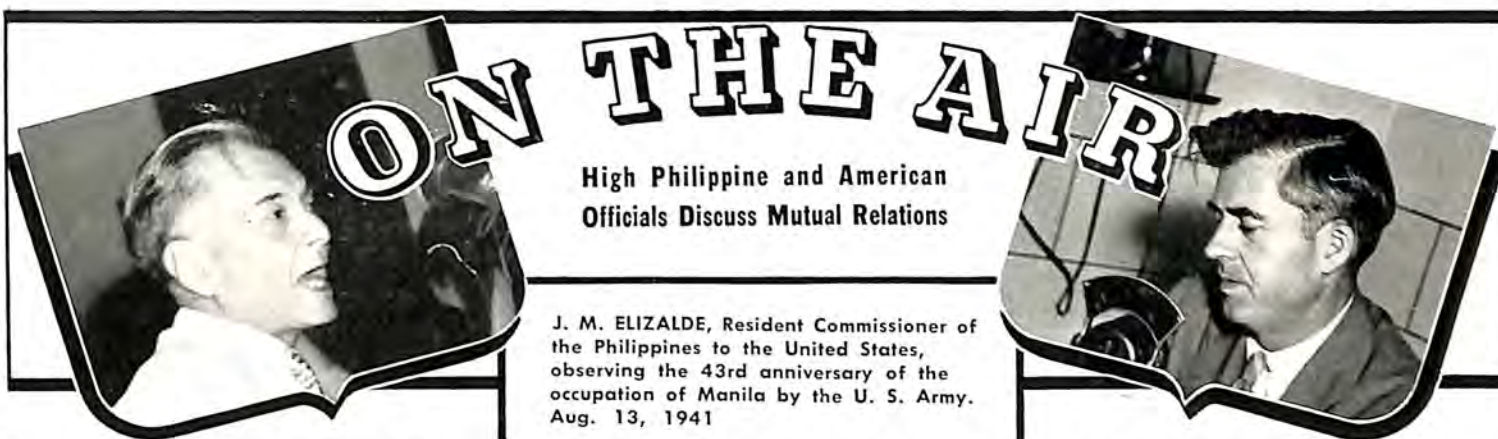
RANDALL GOULD was for nearly two decades an American newspaper editor and correspondent in the Far East. Today he is a member of the firm of Starr, Park & Co., New York City.

WALTER BROOKS FOLEY, besides being a prominent Manila clergyman, is executive secretary of the Committee for Philippine American Cultural Relations.

TRANQUILINO B. AQUINO is a junior business research economist for the Works Progress Administration. He obtained the figures for his article on Philippine-American trade directly from the preliminary reports of the Department of Commerce.

CESAR M. LORENZO recently returned to Manila after completing a course in business statistics in the United States at the direction of the Commonwealth Government.

H. FOSTER BAIN, adviser to President Quezon on mining problems, is an authority on the mineral resources of the Far East.



PRESIDENT QUEZON of the Philippine Commonwealth addressing American radio listeners on August 19, 1941:

Mr. Vice-President Wallace and people of the United States:

I welcome the opportunity to restate the stand of the Filipino people in this grave national emergency. We owe loyalty to America and we are bound to her by bonds of everlasting gratitude. Should the United States enter the war, the Philippines would follow her and fight by her side, placing at her disposal all our manpower and material resources, for the cause for which America would fight is our own cause.

The United States seeks to defend the principles which we cherish and without which we could not live as a free nation. She is striving to preserve liberty and democracy and individual freedom. These are things for which, we, too, would strive and die. The United States is struggling to prevent the domination of the world by dictators and we, too, would strive and die against such masters. The United States wants to uphold the rule of right and justice in international relations and safeguard the independence of small nations, to free them from the fear of aggression and subjugation by militant powers, and we, too, would strive and die to save our country from such threats and perils. So, if the United States decides to enter this war, it will be our war as much as the war of the United States and her decision will be our own decision. In such event she will find all the people of my country, to the last man, on her side fighting under her banner and praying to Almighty God for the victory of her arms.

Mr. Vice-President, I wish to assure you and the people of America that we are with the United States in life and in death. ★

J. M. ELIZALDE, Resident Commissioner of the Philippines to the United States, observing the 43rd anniversary of the occupation of Manila by the U. S. Army. Aug. 13, 1941

VICE PRESIDENT WALLACE felicitating President Quezon on his 63rd birthday, August 19, 1941:

It is with real pleasure, Mr. President, that I join with the people of the Philippine Commonwealth in felicitating you on your birthday. The 63 years of your eventful life have been marked by the rise of the Filipinos as a nation from a condition of utter servitude, and that rise has been in great part due to your own efforts.

Despite the growing national consciousness of the Filipinos and despite the passage in 1934 of the Philippine Independence Act, the Philippine Commonwealth is still an integral part of the United States. It will continue as a unit of our country at least until July 4, 1946, when the present law provides that an independent Philippine Republic shall be inaugurated. Until that day, Filipinos owe the same allegiance to the Stars and Stripes that we do here. And, Mr. President, I am happy to note that they are proving their loyalty just as convincingly. The enthusiastic response of the great mass of Filipinos to President Roosevelt's order Federalizing the Philippine Army has been a source of profound gratification to us in Washington. It is proof that the Philippine Commonwealth stands with us, shoulder to shoulder, in the world-wide defense of democracy.

We here in Washington are well aware of the crisis facing Philippine economy as the result of your willingness to cooperate with us. Your crops cannot be marketed unless ships are available to carry them to market. The urgent necessity of winning the Battle of the Atlantic before anything else means that your needs must in many cases take second place. But keep this in mind also. The moment

In the Southwestern Pacific lie a group of small countries encircling the China Sea. Today that area is of tremendous importance to American policy and to the future of the American people. Surrender of this area to control by imperialistic powers, by appeasement or as the result of war, would have a permanently crippling effect upon the efforts of the United States and other democracies to preserve a free world. Freedom of trade routes in every part of the world and the accessibility of essential raw materials for American industry are among the immediate interests at stake. . . .

The four decades which have followed [the American occupation in 1898] have been full of spiritual and material blessings for the Philippines. We have made astounding progress in every field. The years of the United States tutelage in our country are recognized by all today as a blessing to our people.

Surely it was inevitable that in the years intervening there should have been some dissensions and difficulties between two progressive peoples. In the process of development and adjustment there were many plans, policies and ideals which had to be reconciled. This collection of differences in the past is now popularly referred to as the "Philippine problem."

Actually, there have been no controversies of importance. In the long run we have been able to meet each other half-way. It is true, of course, that in the past 40 years we have had to adjust a great many problems. There was, for instance, the political matter of independence aspirations—the desire of the Filipinos to run their own local

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Ships AND YOUR SUGAR BOWL

By George H. Fairchild

President, Philippine Sugar Association

THE AMERICAN housewife may not know it, but she has a direct interest in Administration efforts to maintain enough cargo ships on the Pacific to move a million tons of Philippine sugar every year. The reason for this is simple: that million tons (approximately 15 per cent of the United States' annual consumption) is the difference between ample sugar for all and a system of rationing. The housewife must pay—not in cash, but in sugar—for every ship that is transferred from the Pacific Ocean to the Atlantic.

Do not infer from this that I—or the Philippine Sugar Association which I represent—oppose American efforts to aid Great Britain. Quite the contrary. The Battle of the Atlantic must be won, even if it means further drastic curtailment of Philippine sugar exports and an actual shortage of sugar on the American market. What I do maintain is that the national emergency must not be used as an excuse to cut our share of the American sugar market, a step that would bring economic chaos to a vital outpost of democratic defense and real hardship to every consumer in the United States.

Under conditions that have come to be accepted as normal during the past decade, sugar production, distribution and consumption throughout the world have been placed under control through a delicately balanced International Sugar Agreement, to which the United States and the Philippines subscribed in 1937. Thus, as an example, the Philippines undertook to sell its sugar only to the United States, abandoning its markets in China, Rus-



Sacks of raw sugar are piling up in Philippine warehouses for lack of transportation to the United States.

sia and other parts of the Far East. In return, it was assured of a stable market for a million tons of raw sugar a year, although the Philippines has grown as much as 1,500,000 tons in its best years. This figure (850,000 *long* tons) was included in the Philippine Independence Act and the Agricultural Adjustment Act of 1937.

Every student of economics knows that, since the war, this delicately balanced distribution system has been entirely upset. Whole continents are now cut off from

their sources of supply. Important producing areas have been devastated (the Ukraine, for instance, grows sugar beets for half of Russia). Shipping shortages make it impossible for off-shore producers to deliver their full quotas. To cap the confusion, consumption is rising steadily.

All this upheaval means increasingly more serious shortages in the United States. Rationing is the inevitable outcome, unless supplies can be assured and increased immediately.

The United States Government has been active in trying to meet these dangers. Its first step was to increase by 1,000,000 tons the amount of sugar that could be marketed in this country under the Agricultural Adjustment Act. More recently, it established a price "ceiling" of three and a half cents a pound for raw sugar reaching the refiners. This has prevented for the time being any further general rise in prices. But, even with the increased marketing quotas, the American housewife—the ultimate user of the sugar—soon will be unable to buy the amount of sugar she wants.

This is where the Philippines comes into the domestic sugar picture. The million tons a year from the Commonwealth, produced and controlled under the sovereignty of the United States, may be the difference between famine and sufficiency. It is essential to the well-being of every American housewife, therefore, that the flow of sugar across the Pacific not be impeded.

It is no secret that we are now having difficulty getting the Philippine sugar crop delivered to United States refineries. The indications are that the year will end

with between 70,000 and 100,000 tons of our quota lying on the docks at Manila, Iloilo and Cebu, due to the alarming lack of ships available on the Pacific to carry crude sugar. Unless next year brings a drastic improvement, sugar receipts in the United States from the Philippines will fall short of requirements by 750,000 tons.

The only remedy for this dangerous situation is positive action by the United States Maritime Commission in assigning additional ships to the Philippine service. New cargo vessels are beginning to come off the ways; every one that can possibly be spared from the Atlantic should be turned over to a company operating in the trans-Pacific trade. Resolute steps are necessary if sugar rationing is to be avoided.

I repeat: Do not interpret this as evidence that Philippine sugar producers insist that their interests be put ahead of those of the nation. Far from it. Members of my association, Americans and Filipinos alike, are united in the conviction that the Administration's foreign policy must have absolute precedence over private desires. What we do object to is the tendency to use the war-time shortage of shipping as an excuse to bar Philippine sugar from the American market. If a sacrifice is necessary, it must be general—not limited to the Filipinos.

We feel that any diversion of cargo vessels from the Pacific that is not absolutely essential to winning the war is an unjustifiable disruption of a mutually profitable trade involving millions of American and Filipino farmers and factory workers. Furthermore—and this touches every American—it is an action that will inevitably result in an acute shortage of sugar—with rationing the inevitable result. ★



Two million Filipinos earn a living from the sugar industry.



Upper left: Philippine fields meet 15 per cent of America's sugar needs.

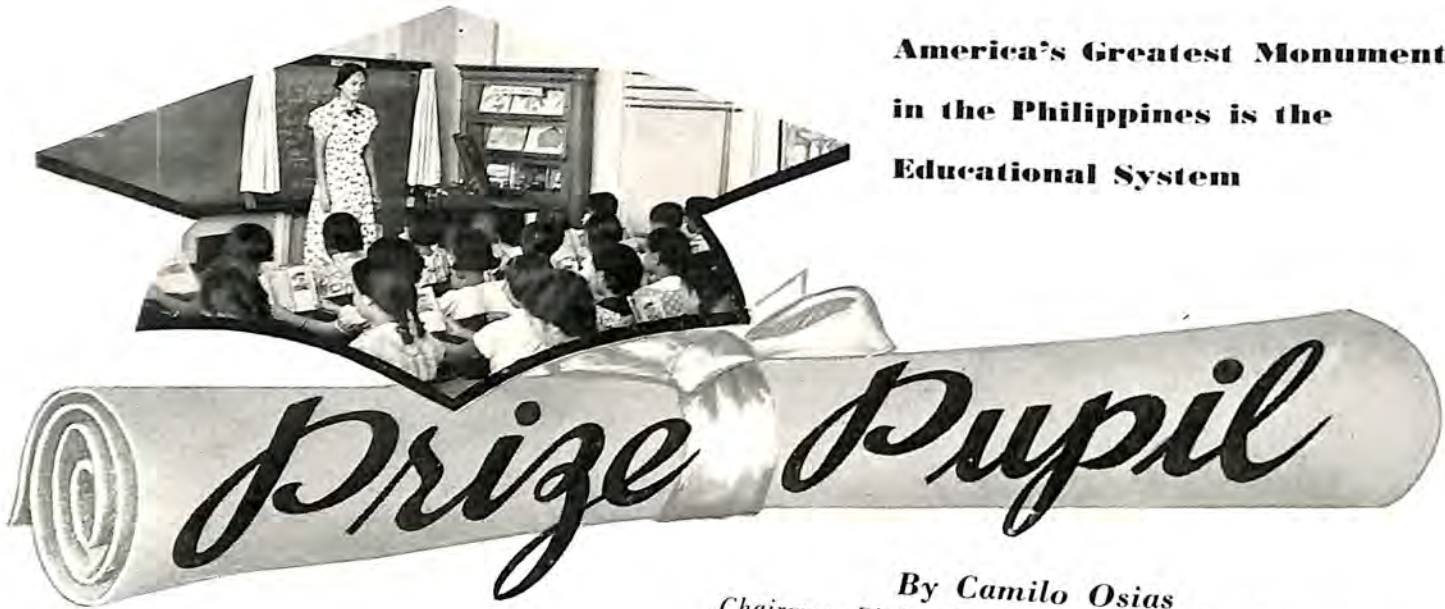
Upper right: Strict laboratory control protects Philippine sugar.

Center: Sugar is the most important cargo of ships and railways.



Modern steam tractors speed the planting of the cane fields.

**America's Greatest Monument
in the Philippines is the
Educational System**



By Camilo Osias
Chairman, Philippine National Council of Education

IT is a favorite sport among laymen and educators, American as well as Filipino, to discuss the progress of education in the Philippines. Even as critical a group as the Monroe Survey Board of 1925 had this to say about the Philippine educational system 15 years ago:

"One of the most remarkable chapters in the history of education has been written since the opening of the twentieth century in the Philippine Islands. The student will scan the pages of history long before he will read of an adventure in human enlightenment more bold than that which has been undertaken in this oriental setting. Attribute it to the naive faith of America in her own institutions and ideals, or to the wisdom of far-seeing statesmanship, the result remains the same. For 25 years these Islands have served as a laboratory for an educational experiment of enormous magnitude and complexity. To any one interested in the technical problems of classroom instruction, in the general administration of education, in the relation of the school to social conditions, in the effects flowing from the contacts of diverse culture, in the more abstruse problems of the ethnologist, or in the wider human problems of the adjustment of races this experiment will have deep significance."

Everything else considered, education will remain as America's greatest contribution to Philippine civilization. As a matter of fact, her achievements in business, government, hygiene and sanitation, social relations, and even in the fields of religion, science and technology were made possible largely because of an effective educational system. This fact assumes still greater significance when one remembers the tremendous handicaps that the system had to face from the beginning. The language difficulty was only one of these.

Filipinos have always had an enthusiastic belief in the efficacy of education in promoting the welfare of the people. In the United States it is necessary to pass

and enforce rigid compulsory attendance laws. In the Philippines, the compulsion is upon the Government to provide more and more educational facilities. Year in and year out, from Batanes in the North to Sulu in the South, the people make constant demands upon the Government for more money for schools. The Philippine National Assembly has an invariable annual headache when the Director of Education certifies each June, after the schools open, that thousands of children of school age cannot be accommodated. Without exception that body has to appropriate an additional amount, either from its reserve fund or by curtailing other activities, in order to meet the demands of parents for more school money.

Even then, these provisions often have to be supplemented by contributions from the people. Every year in every province, the people, yearning for the education of their children and convinced that the resources of the Government have been exhausted, give everything they have, even to the posts that are needed to strengthen their homes against the annual typhoon, in order, themselves, to build schoolhouses; and when the buildings are finished, by voluntary labor, they hire a teacher with what little money they have or with its equivalent in rice, fuel, fish, and coconuts, or board and lodging, or a promissory note until the Government can send them a teacher or certify to the availability of funds.

The children, in turn, are eager to go to school. They consider it unfair punishment to be kept out of school for any length of time. From the first grade up, they manage in a most remarkable manner to learn—in the borrowed English language—their three R's, to say nothing of finding out what took place at the Boston Tea Party and whether George Washington really cut down the cherry tree. If at times they memorize their mathematics or geography or history lessons without understanding, forgive them. Remember how few of

their childhood experiences have been associated with the English language.

But in spite of these and other handicaps, if we look at the achievements of the schools in the past four short decades, even the most pessimistic of us has every reason to glorify America's genius in establishing an educational system that in many ways surpasses some of the best in the United States, and to extol the Filipinos' corresponding aptitude for "readin', 'ritin', and 'rithmetic."

Let us enumerate a few of these achievements:

1. Through this school system, patterned after the American plan and using English as its medium of instruction, a Malay people, who for more than three centuries lived under Spanish rule, with schools available for only the privileged few, has been introduced to Anglo-Saxon institutions and civilization. Through this system an effort has been made to give a common language to more than 16 million people. One now can travel to the far corners of the archipelago and be understood in the English language.

2. Through this system the teachers have sought to bring to the Orient the products of science and technology. In 40 years the dreaded cholera and smallpox have been nearly eradicated, and other diseases are now under control. Agriculture, transportation, and communication show a record of substantial progress.

3. Through this system literacy has increased from 5 per cent at the time of the American occupation to 70 per cent at the present. The right to vote and to hold office is given to women, and the latest figures show that our

election records are, in general, free from serious irregularities and that the percentage of those voting compares favorably with the best records in the American states and in national elections in the United States.

4. Through this system the people have learned to exploit their resources—lands, mines, forests, and waters. There are no breadlines in the Islands. During the depression the national budget was balanced. We have never failed to meet our financial obligations and our country has one of the lowest per capita debts today.

5. Foremost of the achievements of the educational system is its success in preparing the people for democratic self-government. Among the leaders in the Government service today are graduates of our educational institutions. The fight for Philippine independence and its successful consummation are partly a product of our study of American history. One reason why we today have a successful republican form of government is the fact that the schools, themselves, were the training ground for democratic citizenship.

If we compare the conditions in the Philippines today to those in Europe, South America, Asia, and even North America, we find that there are few ways in which the Filipinos are inferior with respect to internal peace, material comforts, economic stability, or religion. The unity of our people under wise leadership can be attributed in large part to wise guidance by America through a modern, effective system of education. We learned our lessons well because America has been a good (albeit exacting) teacher. ★

Lessons in the care of livestock are part of the curriculum.

Filipino children are just as serious about folk dances as Americans are.



An important part of Philippine schooling is the health program.



Jose Yulo . . .

LAWYER FOR THE PEOPLE

By P. C. Morante



From 1934 to 1938, concurrently with his position as Secretary of Justice, Yulo was also chairman of the board of directors of the Philippine National Bank. His tenure was marked by a general improvement of the institution's condition. Banking facilities were augmented, provincial branches were established, and investments put on a much more solid basis. The result of his

work was a net profit of \$4,750,000—the most impressive ever realized by the Philippine National Bank.

WHEN in 1921 General Leonard Wood was Governor-General of the Philippines, he undertook to abolish the "Board of Control" which the previous Governor-General, F. B. Harrison, had established in the Insular Government. Wood claimed the Board had no standing in law and was usurping the powers of the Governor-General. He found formidable opposition in a youthful lawyer named Jose Yulo y Yulo, who fought the move all the way to the Supreme Court of the United States. Yulo lost the case, but his action brought him to the forefront of Philippine lawyers. A little later, Manuel L. Quezon, today President of the Commonwealth, admitted to friends: "Yulo is the equivalent of any three other legal minds in the Philippines."

That legal brilliance has taken Jose Yulo a long way. Still comparatively young, the ex-Speaker of the National Assembly is president of the Nationalista Party and one of the men to whom Filipinos look for future leadership.

Even as early as 1921, Yulo was already recognized as the foremost corporation lawyer in the Islands. As attorney for the Philippine sugar industry, he had one of the most impressive incomes in Manila. This lucrative private practice continued until 1934, when Governor-General Frank Murphy and Senate President Quezon prevailed upon Yulo to accept the post of Secretary of Justice. The step, his friends declare, meant accepting a salary about one-fourth of his previous income.

As Secretary of Justice, Jose Yulo instituted a whole series of judicial reforms. The entire Department of Justice was reorganized. An improved standard of judicial learning was achieved; the machinery was more efficient, and public respect for the courts was increased.

As legal adviser to the President of the Philippines, Secretary of Justice Yulo was instrumental in obtaining a coconut oil excise tax refund of \$50,000,000 for the Commonwealth from the United States Treasury. The legality of the refund had been seriously questioned by some American interests; Filipinos, on the other hand, believed that the excise collected on Philippine coconut oil under the Agricultural Adjustment Act legally belonged to the Philippines. Yulo took charge of the case for the Commonwealth; after a brilliant fight in the United States courts, he established the legality of the refund.

Not until 1938 did Jose Yulo enter politics. He was shy and lacking in political experience; even his most influential friends were a little bit dubious about his future. But his decision to resign his Justice portfolio and run for an elective office was wise. Seeking a seat in the National Assembly from the third district of Occidental Negros Province, Yulo was elected by the largest majority ever polled under the Commonwealth.

When the Assembly convened, President Quezon backed Assemblyman Yulo for the Speaker's chair. The former Secretary of Justice was elected without serious opposition, and held the position until this Fall, when he resigned to run for the newly created Philippine Senate.

One of the most easily visible results of Yulo's leadership in the Assembly can be seen in the Constitution. He was a leading exponent of an amendment to reduce the age qualification of Assemblymen to 25 and of Senators to 35. And as president of the dominant Nationalista Party, he managed the national plebiscite on amending the Constitution to permit revival of the two-house legislature and to permit the President of the Philippines to serve two four-year terms rather than one of six years.

When the Filipino people showed in the plebiscite that they approved of these changes in their charter, Yulo came to the United States to explain the Assembly's stand to the President of the United States. Many of his countrymen give Yulo credit for the fact that these amendments were accepted by President Roosevelt.

On his return to the Philippines early this year, Speaker Yulo was hailed by the people of Manila. Speaking to a great rally on the green Luneta, facing Manila Bay, he told them:

"These amendments are now part of our Constitution, and it is for us all to work them out as intelligently and speedily as we can, in order to convert them into a living portion of the fundamental law of the land. . . . My little task is done, but the much bigger task which is ours—yours and mine—has only begun. May we, each and all of us, be equal to the task which remains." ★

★ UNION for DEMOCRACY ★

Objectives of the Committee for Philippine American Cultural Relations

By Walter Brooks Foley

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

IF we bungle, we're sunk! That is not high-grade Shakespearean English. But even that great dramatist used slang that still sounds modern. We Americans bungled 20 years ago when the opportunity came for world leadership. We missed the boat, the bus and a better order of civilization. For that bit of bungling we are now paying the highest price in flesh and blood and finance. However we are being given a chance to sit in again on the game being played around the world table. We need all our wit and wisdom. We can't afford to make any mistakes in judgment this time.

One way to avoid playing the wrong kind of game is to check up on the actual cards we hold, particularly the strong cards. One is the fact of a great base of fundamental democracy in the Philippines. This is not always readily observable in government forms and formulas, in tactics of political parties, or in measures of economic procedure. It is essential that we look back over the past hundred years and see the reiterated struggle of many individuals to find safety in freedom, and life satisfaction in release from grinding restrictions.

The resistance to arbitrary controls was more clearly evidenced in the Philippines, and more consistently declared, than in any other Oriental country. When India was acquiescing in domination by England, with scarcely more than a ripple of resentment, when the Netherlands Indies lay quiet, with scarcely a struggle against Holland, when China was sub-divided by provincial war lords and the people crushed, when Japan was destroying individual rights in favor of government control, in the Philippines the fires of freedom flamed again and again.

That flame has become the throbbing heart-beat of democracy in Asia. Not yet has the Philippine place in this advance been accurately estimated. In Manila, the Committee for Philippine American Cultural Relations, of which I am executive secretary, is assessing its value and presenting the refined gold of democratic enterprise. Like other social procedures, we know that democracy cannot be grown unless it finds itself in satisfactory soil and is assisted by an adequate climate. It is a commonplace to say that doctrines like communism cannot be transplanted from original seed-beds and be expected to grow unless the new fields have been found suitable for the reception of the plants. That statement is based on the truism that people of every locality produce the results that occur. What people desire, that they eventually

secure. Democracy has developed in the Philippines because the people resented the political, economic and cultural restrictions, and they revolted against tyranny. This made it possible to add to the soil and climate of Philippine life the seeds of democracy discovered by the United States in its adventurous social advance.

The members of our Committee, both Americans and Filipinos, recognize that nations have now reached a new period in the world history. Without hesitation, and without surrender of national loyalties, we feel that our loyalty to freedom and democracy requires mingling our beliefs and efforts with those in other sections of the world, who believe and work as we do, in order to proceed any further. It seems to us that democracy has gone as far as it can nationally. Its only hope for survival is on a world scale. We are not willing to be stalemated. We are insistent on expansion through union.

The challenge is for "union now" rapidly and certainly, without the traditional bungling. That requires genius—the genius of common humanity in its search for the grail of worthwhile living. The country that tries to save its own soul these days by staying within its own borders will surely lose. The nation that seems superficially to lose its national soul for the sake of the gospel of building a more decent world order will surely find it. It is not sufficient to defend our borders, we must extend them. We urge that this is the pot of gold at the foot of the international rainbow, where clouds seem to have blotted out the sun. Democracy is not charity; it is our only chance. That is why we must not bungle. That is why a group of us, living in the Philippines and seeing world life in perspective, believe fundamentally in the future advance of Philippine American cultural relations.

It is our ambition to see that these relations are not concerned alone with the loyalty of North Americans and Philippine Americans to a common democratic ideal. We can have, in other words, no hyphenated loyalty. We are after a dedication of ourselves to a world practice of democratic principles. We start only, where we are, using our individual tasks as the platform from which we proclaim the doctrine of world freedom and democracy. We have no hyphen in the title of our Committee. There is no point of hesitation in our common belief.

We cannot afford to bungle at this point. This is no time for "muddling through." We need to promote precision in democratic procedure. We must exchange our values until they flow together. We must destroy our disagreements. We must base our program on our common democratic desire. Trade must be in the interest of as many people as possible. Politics must be of, by, and for as many citizens as will cooperate. Education must set minds free in an atmosphere of willingness to cooperate. Spiritual techniques must be used in collaboration, not division.

Out of this spirit of adventure will come a greater Asia not built on battleships. Out of this will come a new world order not founded on futilities or antagonism. Mutual mingling interests can be made to keep us from muddling. ★

PHILIPPINE LITERACY: 1903 — 1939

By Cesar M. Lorenzo

ONE great asset in the social, economic and political progress of a country is her literate population. Indeed, President Manuel L. Quezon took cognizance of this fact when he said: "Our country must have a wholly literate population, because only on the foundation of an intelligent public opinion can we build the structure of liberty and sound government."

The National Assembly, aware of the necessity of eradicating illiteracy, several years ago created the Office of Adult Education. This agency started to function within two years of the inauguration of the Commonwealth Government. Almost simultaneously, the Bureau of Education expanded tremendously its work in primary education. In fact, the increase in public school enrollment during the first three years of the Commonwealth equaled that of any previous ten-year period. The combined efforts of the Bureau of Education today seem to promise the practical elimination of illiteracy in a few more decades.

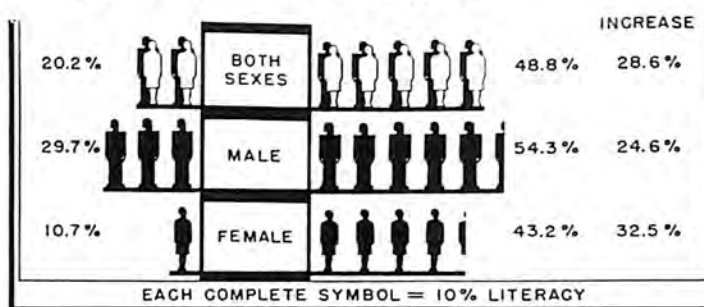
Let us now examine the state of Philippine literacy as reported by the Philippine Censuses of 1939, 1918, and 1903. Census practice considers only persons 10 years old or over and able to read and write as literates.

In 1903 about one-fifth of the total Christian population could read and write. The proportion of literate men was nearly double that of women. The census of 1918 also collected information on literacy, but the tabulated data are not comparable with the 1903 or 1939 figures because of a different definition used. In the census of 1939, about one-half of the total population (including non-Christians) could read and write.

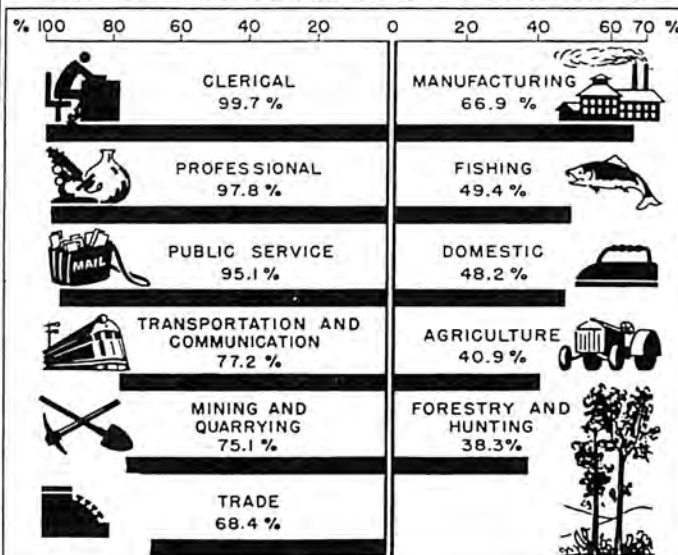
The percentage of literacy, therefore, had more than doubled in about 36 years. Among the women the 1939 figure was more than four times greater than that for 1903. The general increase in the percentage of literacy reflected the progress made by the Philippine public schools during the same period. The enormous increase in literate women was primarily a reflection of the fact that the same educational opportunities are now open to them as to men.

Although the figures are not strictly comparable, the percentage of literacy in the Philippines in 1939 was very much higher than that for British India in 1931. Moreover, it compared favorably with Mexico, Portugal and Spain in 1930. Literacy in the Philippines was much inferior to that of Japan, Canada and the United States, however.

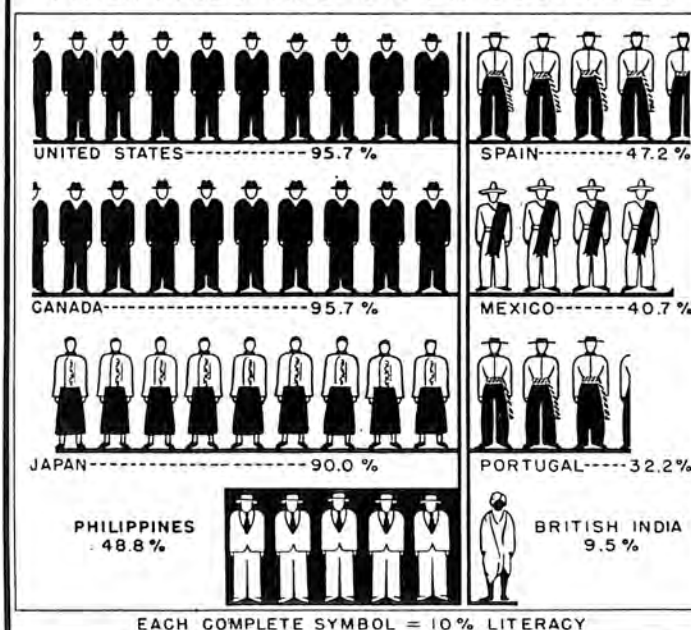
The prevalence of literacy in the Philippines in 1939
(Turn to Page 22)



PERCENTAGE OF LITERACY IN THE PHILIPPINES IN THE DIFFERENT OCCUPATIONAL GROUPS-1939



PERCENTAGE OF LITERACY OF THE PHILIPPINES AND OTHER COUNTRIES



OIL IS WHERE WE FIND IT

By H. Foster Bain

Advisor, Philippine Bureau of Mines

AN active campaign of exploration for petroleum is under way in the Philippines. Whether or not commercial oil fields will be found cannot, of course, be foretold. However, competent oil men from the United States feel that indications warrant drilling at a number of points.

Although expectations of finding oil fields in the Philippines go back to Spanish times, actual development has lagged, despite the well-known presence of gas escapes, oil seeps, bituminous residues, and good-looking geological structures. A few shallow holes have indeed been drilled; some have even produced oil, but in terms of gallons per day rather than barrels per hour. Until recently, only one serious attempt had been made with modern tools and skill to find production. That was in the early 20's when the Standard Oil Co. of California drilled on Bondoc Peninsula in Southern Luzon. Five holes were started, and one was continued to a depth of slightly more than a mile. Drillers found gas and showings of oil, but nothing commercial. The venture was abandoned after a reported expenditure of some \$1,500,000.

Standard Oil officials stated that that sum was as much as they felt justified in spending on a single wildcat venture. They were also careful to point out that while they felt the particular structure drilled had been adequately tested without favorable result, this did not necessarily condemn the Islands as a whole or, in fact, anything but the area drilled.

After this, several other American companies went into the field. While some apparently were willing to spend considerable sums on the venture, no tangible results were obtained.

Thorough-going investigation of Philippine oil prospects has consistently been hampered by the land laws. Holdings are strictly limited in size, and inter-locking ownership is prohibited. The difficulties were compounded by an epidemic of unwholesome speculation, which resulted in a public scandal a few years ago. The subsequent cancellation of all oil prospecting permits brought an end to private enterprise in this field.



Three scenes from the oil prospecting operations recently undertaken in the Philippines by the National Development Company. Two rigs are now wildcatting on the island of Cebu.



even the best official bureau. It has the further advantage that it is exempt from limitations on land holdings. It does, however, pay taxes comparable to those faced by private companies, and it has been steadily administered from the point of view of supplementing rather than supplanting private initiative in development. In the matter of petroleum, it seemed to be the only agency capable of moving ahead under the actual conditions.

Work on the geological survey was accordingly begun in the Spring of 1939. A seven-volume confidential report covering all but the southern islands was filed with

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A

A—University of Santo Tomas, Manila, established by Spanish friars 25 years before Harvard was founded.

B—University of the Philippines co-eds pause on their way to class.

C—Monument to the Filipino farmer at the Central Luzon Agricultural School.

D—Typical dental and health clinic in a Philippine primary school.

E—Students at work in a Manila trade school.



B



C



D



E



F

F—Library entrance, University of the Philippines, Manila.

G—Simple rural primary school.

H—Girl athletes pause during their physical education program.

I—Typical provincial high school building.

J—Student athletes participate in mass games at Manila.

K.—Health lessons have an important part in Philippine primary schools.



G



H



I



J



K

The FORGOTTEN BOUNDARY

By James K. Eyre, Jr.

MOST Americans realize that the Philippine Islands occupy a strategic position in the Far East. Yet it is probably true that little is known about their exact geographical boundaries. The process of fixing those boundaries involved many interesting historical forces. A comparatively narrow strip of water, for instance, separates the Japanese possession of Formosa from the northern end of the Philippines. Definition of the exact line between Japan and the Philippines, which took place during the waning years of Spanish sovereignty in the Islands, is still of considerable importance.

In 1894-1895, Japan decisively defeated Imperial China upon the battlefield. In the peace settlement which followed the victors were ceded the island of Formosa, contiguous to the northern part of the Philippine Archipelago. Japan's growing strength was in direct contrast to the decadence of Spain's colonial administration. Not unnaturally, Madrid feared that Japan's southward expansion might create serious difficulty. Rumors were current that the Japanese coveted the Philippines. Although these reports were of little validity, the seriousness with which they were treated indicated the Spanish feeling of insecurity.

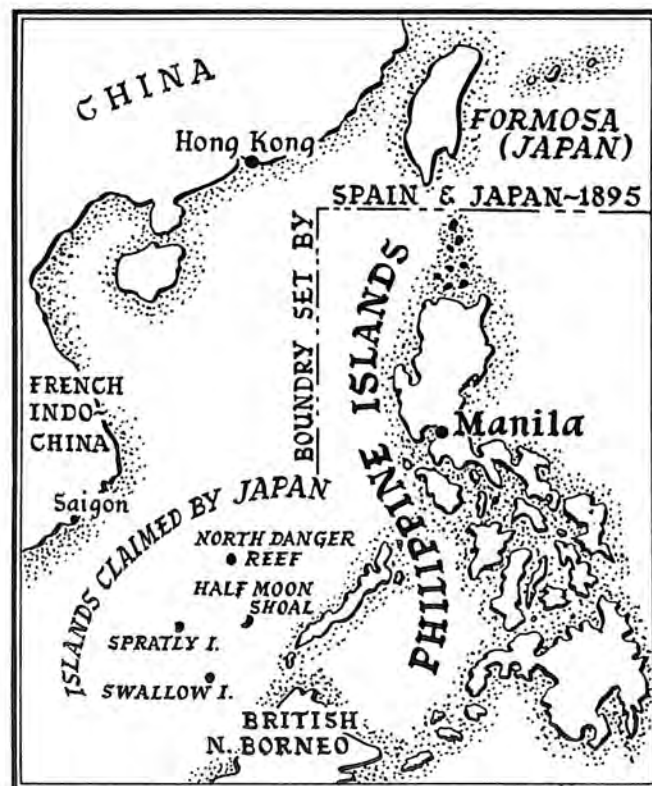
Spain sought to secure an understanding with Japan which would clarify future relations between the two countries. Accordingly, on August 7, 1895, a treaty was signed at Tokyo by the accredited representatives of the Spanish and Japanese Governments. There was much rejoicing at Madrid, since it was believed that Spain's hold on the Philippines had been made more secure. Buried among the events of the past, this little treaty has received scant attention from American observers. Its text, printed in both French and Spanish, may be found in the official set of treaties published by the Spanish monarchy shortly after the beginning of the present century. The agreement was brief and to the point.

Don Jose de la Rica y Calvo, the Spanish Minister at Tokyo, acted in behalf of his Government. Japan was represented by Marquis Saionji, Minister of Public Instruction, who later became one of his country's most honored statesmen. In the opening statement, it was asserted that Japan and Spain, in the spirit of friendship which existed between them, wished to determine the line of demarcation between their respective possessions in the western Pacific. It was agreed by the two contracting parties that the degree of latitude which passes

through the Bachi [or Bashi] Channel represented the boundary line between Japanese and Spanish territory. The channel referred to lies between Formosa and the Batanes Islands off the northern coast of Luzon. Japan also announced that it did not have any claims upon the islands to the south and southeast of this line. Spain made a similar assertion concerning the islands to the north and northeast.

Following Spain's defeat by the United States in 1898, a peace conference was held at Paris. It was decided that the Philippines in its entirety should be ceded to the United States. Therefore it became necessary to define clearly the territorial limits of the Islands. In the negotiations which followed, the agreement which had been signed in 1895 by Japan and Spain was utilized by the peace commissioners. Article III of the Treaty of Paris outlined the northern boundary of the Philippines as follows: "A line running from west to east along or near the twentieth parallel of north latitude, and through the middle of the navigable channel of Bachi, from the one hundred and eighteenth (118th) to the one hundred and twenty seventh (127th) degree meridian of longitude east of Greenwich. . . ."

In 1900 the question was raised whether the Batanes and Calayan Islands were Philippine territory. American troops occupied them, and the Spanish Ministry for Foreign Affairs took cognizance of this action. It was acknowledged that, according to the terms of both the Treaty of Paris and the earlier agreement between Spain and Japan, these islands properly belonged to the Philippine Archipelago and that they legally had passed into the possession of the United States. ★



Guy Swope

**The New Director of the
Division of Territories
and Island Possessions
Understands Both Politics
and Diplomacy**



Neighbor

By Julius C. Edelstein

GUY J. SWOPE set many tongues to wagging in Washington last summer when he voluntarily resigned his \$15,000-plus job as Governor of Puerto Rico to accept an \$8,000 position as Director of the Division of Territories and Island Possessions in the Interior Department.

In politics such an action is virtually without precedent, unless the subject is under extreme duress, and, as far as can be determined, no duresses were involved in Governor Swope's decision. In fact, both Secretary of the Interior Harold L. Ickes and the vast majority of the Puerto Rican people considered him highly satisfactory as Governor. Such an accord regarding a Governor of Puerto Rico is so unusual as to be historical; in the past Secretary Ickes, as the Cabinet officer in charge of Federal administration in Puerto Rico, has often formed one apex of a restless and unhappy triangle, with the Governor and the people of Puerto Rico at the other points.

But Swope chose to resign the governorship. While his action mystified many, and gave rise to any number of extravagant explanations, the reasons which Swope himself acknowledged were both logical and simple. He felt the portfolio of the Director of Territories was one which he could competently handle; at the same time the shift would bring him closer to his political origins in Pennsylvania. He believed in the simple philosophy of giving up sweets while the taste is still pleasant.

Director Swope surprised cynical observers by taking an immediate interest in his new job. He tackled Philippine affairs as if they had always been his primary concern in life. He showed similar enterprise in studying Alaska, Hawaii and the Virgin Islands. Territorial officials were agreeably surprised at Swope's genuine interest in their problems. Realists, they had expected him to use the Territories post as a "breather" while awaiting political developments in Pennsylvania. They were mistaken.

Undeniably, Swope's talents lean toward politics, but he is also a much-better-than-average administrator. Observers believe his tenure in the Territories post will be

about as long as he chooses. His shrewd amiability should make it possible for him to get along with his superiors, with his subordinates, and with the public whom he must serve. Swope owes this talent to his political training. Or it may be that he owes his success in politics to this talent.

To Guy Swope, politics is a method of getting things done in a way that will disgruntle the least possible number of those to and for whom they are being done. In Puerto Rico, for instance, politics is about as involved as anywhere on earth; Swope sat on the political lid there, dispensed patronage, and saw through a revolutionary program of social and economic legislation—all without making any considerable number of personal enemies.

On an island where Governors from Washington occasionally arouse an all-too-active native opposition, Swope was conspicuously not shot at. There were other factors, of course, but during Swope's brief term Puerto Rico enjoyed its first political armistice in years.

Following his appointment, Swope delighted Puerto Ricans by delivering part of his inaugural address in carefully rehearsed Spanish. Laboriously he has acquired since then a fair speaking knowledge of Spanish; he reads it readily, too. Today, he has a working acquaintance with Latin-American psychology and political techniques, which should be of real value in his new job.

Personally, Swope is of a type usually described as "having a pleasing personality." He is above medium height and well-built, with a good head of light curly hair. He wears rimless glasses, and is inclined to thrust out his jaw to show purpose and determination. Swope, whose voice has a pleasing rasp, has a tendency to roll his rrr's like a Fourth of July orator.

A Pennsylvania Dutchman, as he will tell you upon slight provocation, Guy Swope is the kind of self-made man who doesn't burst with it. He was born in a legitimate log cabin in Meckville, Berks County, Pennsyl-

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No. 1 MARKET AMERICAN WHEAT

FARMERS AND MILLERS LOOK AT THE PHILIPPINES

*By Herman Fakler
Vice-President, Millers'
National Federation*

A sling full of American flour is loaded for the Philippines.



Herman Fakler

FEW Americans — even those living in the great wheat belts of the Middle West and the Pacific Northwest — realize the importance of the Philippine market to the producers of American flour. Nevertheless, it is a fact that one sack out of every five exported by the United States is consumed in the Philippine Commonwealth. Filipino purchases during the past decade have averaged \$2,203,476 a year.

In other words, between 1931 and 1940, American wheat farmers, millers and shippers alone received more from sales of flour to the Philippines than the United States Government paid to Spain following the cession of the Islands to this country after the Spanish-American War.

This fact is important today, because the Philippines is one of the few rich overseas markets remaining to American farmers and processors. Furthermore, it has been in increasing jeopardy during the past two years in the wake of the stringent shortage of cargo ships in the Pacific. Unless this situation is corrected, we may lose the bulk of our most important export market.

Some features of our flour shipments to the Philippines are interesting. For instance, American flour enjoys

the protection of the Insular tariff wall, through which United States products pass without payment. At present, this advantage amounts to 42 cents a barrel. For another thing, our trade is on a strictly cash basis; commerce has never been dependent on loans from American banks or government agencies. Neither has this business been complicated by the financial restrictions, frozen credits, quotas or barter arrangements that prevail in many other markets. American wheat farmers and millers have always found their business with the Philippines a source of mutual satisfaction.

Our flour exports to the Islands originate in the great wheat fields of Oregon, Washington and Idaho, where annually more than 110,000,000 bushels are harvested. Since these States utilize only 27,000,000 bushels locally for seed, feed or human consumption, approximately 83,000,000 bushels must be disposed of in outside markets. Remember that from 85 to 95 per cent of the farm land in the Pacific Northwest wheat belt is devoted to this one crop (53,000 individual farms are involved), and you will understand the importance of the export market to these States.

During the past decade, the Philippines, which has

a steadily rising standard of living and a rapidly increasing population, has imported an average of 925,000 barrels of flour a year. Approximately 60 per cent of this has come from the United States. Australia has supplied about 25 per cent and Canada some 13 per cent.

Australian flour, ground from the same type of soft wheat that the American product is, is the principal competitor of United States flour. Canadian flour, ground from hard wheat, is less popular. It is interesting to note that, during the decade ending December 30, 1940, American flour unloaded at Manila had an average value of \$4.08 per barrel, against \$4.10 for Canadian flour and \$3.26 for Australian.

American millers had no difficulty holding the bulk of the Philippine market against Canada and Australia until 1935. The Philippine tariff of 42 cents per 196-pound barrel, which did not apply to our products as it did to the others, gave us an important advantage. Our exports began to decline in 1935, however, in consequence of lower prices and stiffer competition from Australia. Adoption by the Federal government of a system of export subsidies reversed the trend in 1936. That subsidy today amounts to 60 cents per barrel. American flour, therefore, enjoys a \$1.02 advantage (42 cents Philippine tariff and 60 cents export subsidy).

The Philippine market for flour—as for many other American products—has increased steadily in importance. In 1900, the Islands imported 90,000 barrels. Ten years later the figure was 285,000 and this was nearly doubled (500,000 barrels) by 1920. Imports approximated 800,000 barrels in 1930. During both 1939 and 1940, Philippine purchases of foreign flour materially exceeded 1,000,000 barrels.

One effect of the wars in Europe and Asia has been a substantial increase in the Commonwealth demand for American and Canadian flour. Imports from the United States rose 200,000 barrels in 1940, and those from Canada were up approximately 20,000. Largely

because of the serious shortage of shipping space following wholesale withdrawal of British tonnage from the Pacific, Australia's share of the Philippine flour market dropped nearly 150,000 barrels in 1940.

Figures gathered by the Insular Collector of Customs show that this tendency was reversed in the first four months of 1941. Canada, Australia and the United States all show substantial increases. Total imports rose from 357,000 barrels in the first four months of 1940 to 399,000 in the same period of this year.

Since September, 1939, flour prices have doubled in the Philippines. Quotations in August, 1939 fluctuated from \$2.95 to \$3.15 a barrel for American flour. The current price level is between \$6.29 and \$6.95. In recent months, Australian quotations have been slightly under those of American flour, while the Canadian product has equalled or slightly exceeded our quotations.

These remarkable increases have been largely due to a disproportionate rise in shipping costs. Freight rates have risen from an average \$5.50 a ton in early 1939 to \$22.50 or more today. Not only do these higher retail prices in Manila mean a decline in consumption: they presage the day when there will not be enough shipping space available to supply the Philippine market. The result will be either a falling off of Filipino flour consumption or a loss of the market to other producers better able to deliver their goods.

Recently the Maritime Commission has indicated that enough ships will be left on the Pacific to care for all legitimate Philippine needs. Obviously, this will relax some of the pressure on American flour men. It is important, however, to keep this vital trade between the Pacific Northwest and the Philippine Commonwealth flourishing. Not only is flour an essential part of the Islands' food supply, but the maintenance of our No. 1 overseas market is an extremely serious matter for the many thousands of Americans engaged in raising wheat and milling it. ★



A shipping shortage threatens to stifle the United States' profitable flour trade with the Commonwealth.

Philippine-American Trade 1939-1940-1941

By Tranquilino B. Aquino

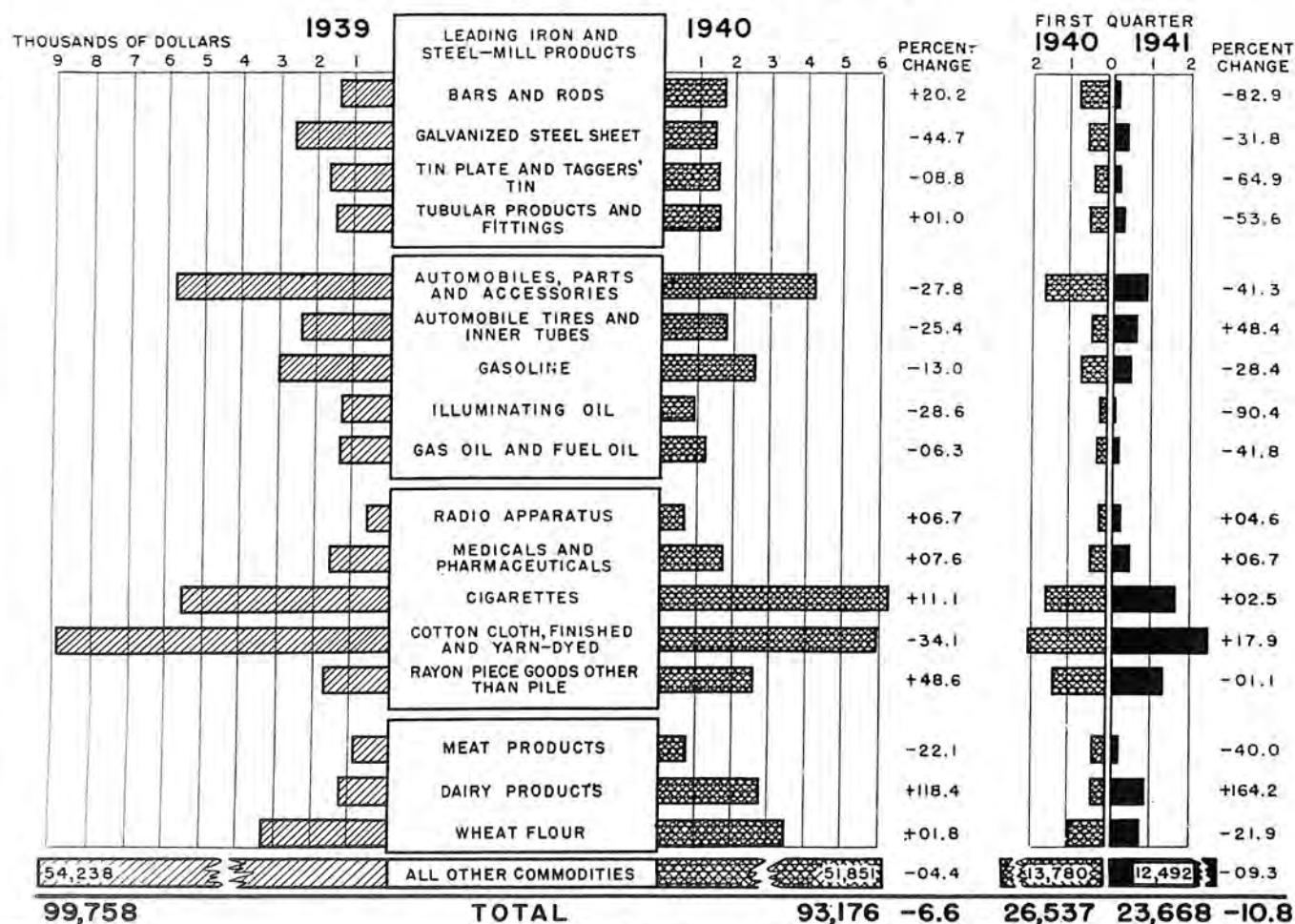
WAR and the national defense program have caused a persistent decline in United States exports to the Philippines since 1939. The value fell from \$99,800,000 in 1939 to \$93,200,000 in 1940—a decrease of 7 per cent. The downward tendency continued in 1941; exports for the first quarter amounted to \$23,700,000 as compared with \$26,500,000 in January-March, 1940. This was a loss of 11 per cent.

The figures on which the accompanying charts are based are the last likely to be available until the termination of the emergency. The Depart-

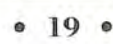
ment of Commerce has ceased publication of trade data.

Actual causes of the decline are clear. The transfer of shipping to the Atlantic has left the Pacific without adequate tonnage for its normal trade. Furthermore, the 1939 trade was above normal due to efforts of Filipino importers to lay in stocks in anticipation of such a stringency. While significant of world conditions, therefore, the drop in American exports to the Philippines does not mean permanent loss of the market. Buying will undoubtedly revive with the return to normal. ★

U.S. EXPORTS OF DOMESTIC PRODUCTS TO THE PHILIPPINES, BY IMPORTANT COMMODITIES



SOURCE: U.S. DEPARTMENT OF COMMERCE. THE FIGURES FOR 1940 AND THE FIRST QUARTER OF 1941 WERE TAKEN DIRECTLY FROM WORK SHEETS OF THE DEPARTMENT AND HAVE NOT BEEN PUBLISHED AS YET. THEY ARE SUBJECT TO REVISION.



LUZON

Where History and Progress Meet

By Ernesto D. Ilustre

THE largest of the more than 7,000 islands which compose the Philippine archipelago is Luzon Island or *Luzong*, which means "mortar" in Tagalog, one of the native Filipino dialects. With a land area of 40,814 square miles, Luzon is only a little smaller than the whole State of West Virginia, and, besides, a tropical treasure house.

The first to become aware of this fact were the Chinese who arrived at various Luzon ports in their colorful junks and who traded with the islanders nearly 10 centuries ago. Later, Arabs arrived from Malaya and the Near East, bringing with them in their *praus* not only the wealth of the Indies to exchange for Philippine products and gold, but also their Mohammedan faith, which they assiduously propagated among the Filipinos. All this took place many years before the Spanish conquest of the Islands began in 1521.

After Spain had occupied the Islands and its conquistadores had made Manila their headquarters, the Spaniards thoroughly exploited the resources of the country. Annually, galleon after galleon laden with the products of the Islands, mostly those found or grown in Luzon, crossed the Pacific en route home. In spite of this systematic exploitation, however, Luzon's resources remain barely touched; its soil is still unbelievably fertile and its mineral deposits are almost untapped.

Except for the Cordillera mountain chain, which runs down the whole Pacific Ocean side of the island and which cuts it in half just north of Cabanatuan, Luzon is a lowland traversed by rivers that regularly inundate their banks. Its perpetually fertile alluvial and coastal plains are naturally ideal for the cultivation of rice, tobacco, *abaca* (hemp), sugar, coconuts, timber, and many other tropical products. The sub-soil, too, is rich in gold, chromite, manganese, asbestos, and many other essential minerals.

Manila, the largest city in the Philippines and the capital of the country, is located on the estuary of the Pasig River, which flows into Manila Bay, the scene of Admiral Dewey's victory over the Spanish fleet in 1898. Founded in 1571 by Miguel Lopez de Legaspi, Manila is now a modern city with a land-locked harbor capable of sheltering the whole world's fleets at once.

The capital is defended by the most modern fortification in the Philippines. Cavite, across the bay from Manila, is the site of a rapidly growing United States naval air base and is the headquarters of the United States Asiatic fleet. Olongapo, in Subic Bay, due west of Manila, is a United States naval base with dockyard facilities for small naval craft. Corregidor, the rocky island

guarding the mouth of Manila Bay, is one of the most heavily fortified spots in the Far East. Like Singapore, it is capable of withstanding sustained naval and air attacks and a long siege.

Baguio, cool and colorful summer capital of the Philippines, is perched on the Benguet plateau approximately 5,000 feet above sea level. With a temperature that seldom goes above 85 degrees Fahrenheit, Baguio has gardens lush with such temperate zone vegetation as asparagus and strawberries. Nearby forests include dense stands of pine—within a few degrees of the equator.

Laoag, capital of Ilocos Norte Province, is the cultural as well as the textile center of Northern Luzon. Within a hundred mile radius are grown tobacco that is noted for its aromatic quality, and long-staple cotton to feed Laoag's vast and growing hand loom industry.

Aparri and Ilagan, provincial towns in Northern Luzon, are located in the fertile Cagayan and Isabela valleys. The two are the centers and chief markets of the principal tobacco producing areas of the Philippines. Cagayan and Isabela tobaccos are famous throughout the world and are the basis of the finest Manila cigars.

Around Lucena and the other towns of Tayabas and Laguna Provinces are miles and miles of coconut trees. From the coconuts, farmers extract an oil that is invaluable in making soap, explosives, plastics and stainless steel. Thousands of tons of copra cake and coconut oil are exported annually from this region to the United States.

Daet and Naga are the twin centers of the *abaca* or hemp industry in southern Luzon. *Abaca*, distantly related to the banana plant, grows only in the Philippines and is universally known under its trade name, "Manila hemp," derived from the port from which it was originally shipped. No other natural fiber can compare with it in tensile strength nor can any known fiber readily take its place for naval use. Classed by the United States as one of its strategic materials, *abaca* or hemp is indispensable to the merchant marines and navies of the world. ★

The map of Luzon on page 19 is the first of three drawn specially for PHILIPPINES by Frank Manning. When completed, the series will be available as a single sheet.

Philippine Veterans Are Proud of Record

AMONG war veterans' organizations, the National Society-Army of the Philippines is probably unique. There are other groups of men who fought in the Spanish-American War, and there is an "Order" of officers who served in the Philippines, but the National Society-Army of the Philippines is the sole body whose membership rules are framed to include only the men who planted the Stars and Stripes on the far shore of the Pacific Ocean in 1898.

Organized in Denver on August 13, 1900 by Brigadier-General Irving Hale, the National Society-Army of the Philippines today is active in securing protection for all veterans of the Philippine campaign. Specifically, it is now backing H. R. 5236, a bill to extend government relief to men who served in the Islands subsequent to July 16, 1903, the official termination of the Philippine Insurrection.

"We maintain that we carried the American flag a greater distance from our homeland than any other army in the history of the world has ever done," declares Charles V. Stevens, secretary of the Jolo Outpost in Minneapolis. "We also believe that our organization furnished more of the ranking officers of the Army and Navy in the World War than did any other veterans' group."

"The National-Society-Army of the Philippines is not an offshoot of any other organization. We are the oldest veterans' group organized in the Spanish-American War period and are now recognized as a major body by the United States Government. The Society represents a definite group of men, and a definite idealism born during that period of unusual, perilous service. By our sacrifice, the United States was raised from a fifth-rate power to a position today second to no other nation."

Colonel Alexander Greig, of St. Petersburg, Florida, is national commander of the Society. National headquarters is maintained in Boston, where Major Joseph S. Wood, the national secretary-treasurer, has his office.★

RECENT books dealing with the Philippines have included:

War and Diplomacy in Eastern Asia. By Claude A. Buss. New York: The Macmillan Company.

Cross Winds of Empire. By Woodbern E. Remington. New York: John Day.

The Armed Forces of the Pacific. By Capt. W. D. Pulleston. Hartford: Yale University Press.

The Fight for the Pacific. By Mark J. Gayn. New York: Morrow.

Piang, the Moro Chieftain. By F. P. Stuart. New York: A book about Philippine jungles for juveniles.

Guy Swope

(from Page 15)

vania, the son of hard-working German-speaking folk. Although his forebears came here 200 years ago, English was a foreign tongue to young Swope when he entered the little country school of his neighborhood. He learned the language and whatever else was taught, eventually becoming a school teacher at the princely salary of \$280 per year. Subsequently a government revenue agent, he finally turned to commerce, became a public accountant, and was the controller of a large department store and vice-president of a bank when he found himself in politics.

Swope worked for Roosevelt in 1932, and for Governor Earle for governor of Pennsylvania in 1934. Earle, elected, named Swope director of the budget, with a seat in the state cabinet. In 1936, Swope ran for Congress in a district which had not gone Democratic since the Civil War. He won. In 1938, when the district returned to its normal Republican complexion, Swope received his biggest break. Upon the recommendation of Senator Joseph Guffey, President Roosevelt appointed Swope Auditor of Puerto Rico.

When Admiral William D. Leahy, the Governor, left San Juan last winter to become Ambassador to France, Swope was named his successor. More than anything else, Swope wanted to be liked by the Puerto Ricans. He, himself, like them socially; he did not look upon them as "natives." He walked down into the public square, stood on the street corner, and read a newspaper while a ragged *muchacho* polished his shoes. That made the Puerto Ricans feel they really had a neighbor in the Governor's mansion.

In Washington, Swope is still a "neighbor" to all of Uncle Sam's off-shore dependencies. That's why the Philippines is lucky in the selection of its new "boss." ★

Philippine Resident Commissioner
Washington, D. C.

Sir:

I was introduced to your magazine, PHILIPPINES, in July through "The Military Engineer." When I received my first copy, I read it all in one day. I must say I learned more about the Philippine Islands from your publication than I ever learned in school. I was so thrilled with it, that I loaned the copy to a friend. He loaned it to a friend, who loaned it to someone else, and so on, until it passed through the hands of 34 people in about five weeks. It was returned in a very dilapidated condition.

I should like to add my thanks to those of my friends that my *one* July issue reached for introducing us to your fine publication. It has made us more Philippines conscious, and proved to us that the Philippines is capable of self-government.

GORDON P. FISHER
Baltimore, Maryland

Vice-President Wallace

(from Page 3)

we have ships to spare, the Philippines will receive full consideration. . . .

Because we know you so well, President Quezon, and admire you for what you have done for your people, we Americans have confidence in you as the leader of a nation that is standing with us in defense of the democratic way of life. . . .

To the great task of assuring a better world of the future, the Filipino people, under your able leadership, have dedicated themselves with their whole spirit, their full manpower and all their resources. Under the direction of that brilliant American soldier, General Douglas MacArthur, you have undertaken the training of a fine citizens' army. Those forces today are a loyal, valuable and welcome addition to our own military strength in the Far East. . . .

(Vice-President Wallace then spoke in Spanish. The following is an unofficial translation:)

Bonds of history, culture and idiom make the Philippines a spiritual sister to the Latin American Republics. And on this occasion it gives me pleasure to state that in these critical moments, the Philippines, as well as the American Spanish-speaking countries, together with the United States, are giving the world an inspiring example of unbreakable solidarity in their united struggle to preserve liberty and democracy. Together we fight for the same ideals, the same aspirations. Together we fight for a better world, and it is our hope that when the world is normal once more, the existence of small countries will have been secured. ★

J. M. Elizalde Speech

(from Page 3)

affairs. The regulation of our trade with the United States was another. . . .

Today, all of us are involved in a titanic world struggle to uphold freedom, liberty and tolerance. This is a struggle in which none can stand aside. The whole world is in its grip, divided into two hostile camps. In this division we in the Philippines have unstintingly pledged our whole support and loyalty to the democratic cause proclaimed by the United States.

I have the most solid conviction that unless democratic ideals survive in this world struggle, and unless individual freedom is finally triumphant, there will be no possible life for small countries, nor place for them in the world of the future.

Our own interests involved in the victory of democracy are twofold:

First, to uphold the ideals which we share with America, and

Second, to help make possible a world in which our aspirations may be realized.

To this great task, the Filipino people, under the leadership of President Manuel Quezon, have dedicated themselves with their whole spirit, their full manpower and all their resources. . . . ★

Philippine Literacy

(from Page 10)

varied widely by provinces, ranging from 18.5 per cent in Sulu to 72.8 per cent in Camarines Norte. In the city of Manila, the literacy rate was 80.7 per cent. In poorly organized communities and in rural areas, the literacy was low. Transportation, communications and adequate educational facilities were the chief causes of the large differences between geographic areas. For example, in the scattered Visayan Islands and in the Mountain Province the percentage of literacy was much lower than it was in the Tagalog regions in Luzon.

Among various occupational groups, literacy rates revealed some interesting features. Forestry and hunting had the poorest record, 38.3 per cent. In the agricultural pursuits, the literacy rate was about 41 per cent. This occupational group consisted largely of small farmers, farm managers, and farm laborers.

On January 3, 1939, all persons who were actually working at their occupations were considered as employed. On this basis, investigators found 50.2 per cent of literacy among the employed and only 46 per cent among the unemployed. This fact would seem to indicate that a literate person has a better chance to get a job than an illiterate one. In fact, an illiterate has practically no chance of getting a government job, as in many cases the ability to read and write is required.

The census of 1939 also reported the number of literate persons of voting age (21 years old or over). Exactly 44 per cent were found literate. Since this was 4 per cent less than the figure for persons 10 years old or over, obviously the literacy rate for persons between the ages of 10 and 20 was considerably above 50 per cent.

The literacy of men of voting age was 51.7 per cent, against 36.3 per cent for the women in 1939. In 1918, only 40.4 per cent of such men were literate, and 24.1 per cent of the women.

A better picture of the growth of literacy in the Philippines may be shown by the figures on men of voting age. In 1903, the percentage was 31.4. We have already seen that the return in 1918 was 40.4 per cent, and in 1939 it was 51.7 per cent. In all categories, men showed a better literacy record than women.

A study revealed that literacy had a close association with school attendance, family income, and newspaper reading. Provinces boasting of a high percentage of school attendance, invariably had a high percentage of literacy. A high degree of correlation between literacy and family income was also noted. Generally, there was a larger proportion of literacy in provinces where the percentage of moderate income families was also high.

The census of 1939 also revealed that only 15 per cent of all persons 10 years old or over were reading newspapers and magazines regularly. As the general literacy rate of the Philippines was about 49 per cent, more than two-thirds of the literate were not reading any newspaper or magazine regularly. ★

President Quezon early this year. The staff included a dozen widely experienced geologists and paleontologists drawn from the leading American petroleum companies, with a large corps of Filipino engineers and geologists who had been trained in the United States or locally. Direction was at first in the hands jointly of H. Norton Johnson, formerly with General Petroleum Corporation, and Grant W. Corby, whose early career was with the Marland companies. After Mr. Johnson's return to the United States, Mr. Corby took full charge of the work and pushed it through. From the first, Director Abadilla, of the Bureau of Mines, acted as adviser, for which position his years in Mexico, Peru, and Brazil as geologist for various American petroleum companies, as well as his extensive knowledge of the Philippines, peculiarly fitted him.

The work was organized and conducted on the broadest and most scientific lines and was pushed with great vigor. For the first time, a complete section of the strata involved, mainly Miocene in age, has been made, and positive correlations can be made not only within the Islands but with the rocks in neighboring countries. The principal oil-bearing horizons in the Netherlands Indies have been recognized; sections of possible oil-bearing sediments up to 17,000 feet thick have been found. By means of topographic and geological mapping, a number of structures have been determined and outlined. The geological work in doubtful areas is being checked by geophysical surveys conducted by the Geophysical Engineering Corporation of Pasadena. A conservative number of drilling sites have been selected, and preparations are now under way to test the first of these.

Meanwhile, acting under general law, President Quezon had reserved for the Commonwealth Government the petroleum lands in a number of provinces. By authority of a special law, he recently gave the National Development Company a permit to enter these lands for exploration, development, and production. This company has, therefore, an almost complete monopoly on Philippine petroleum lands. The exception is in a few very small leases of long standing, and two areas held on lease under the general law by the Far East Oil Development Co. This corporation, the only non-government company now active in the oil field, is now owned by Philippine, American and Spanish capital.

After drilling a few shallow holes on Bondoc Peninsula not far from where Standard Oil of California tried to find oil 15 years before, Far East Oil in 1940 moved its rig to the Daanbantayan structure in Northern Cebu. This is a large dome with good closure, considered to be very favorable. Here, with great skill and good fortune, a hole was carried to a depth of 6,010 feet with a rig and tools designed to go only to 4,000 feet. But, despite this technical success, the hole proved dry to the depth

tested. However, the most favorable horizons, which show seepage on outcrop and which are oil-bearing in the Netherlands Indies, lie still deeper. The overlying beds had thickened here to an unexpected degree.

Not discouraged by the results of this first deep test Far East Oil ordered from the United States a rig and equipment permitting it to go down to the Basement Complex, estimated to be some 10,000 feet from the surface.

The rig which Far East had been using and which had so signally proved its sturdy worth was sold to the National Development Company. It has been moved to the Barili anticline farther south in Cebu. On this structure, the beds at the surface are the geological equivalents of those at the bottom of the Daanbantayan hole. Drilling to 4,000 feet should test all the probably favorable strata.

This Spring, Mr. Corby left for California by Clipper to enlist a drilling crew and make certain supplementary purchases of equipment. In his absence, and pending arrival of Far East's own new drill, its superintendent, A. E. Ireland, and crew, built roads and camps and moved the old drill to its new location. By the time this article appears two modern outfits will be busy wild-cattling on the island of Cebu in the Middle Philippines.

The economic importance of the discovery of oil, if it is present in the Philippines, is so evident as hardly to require mention. The Islands have only limited coal fields and industrialization requires fuel first of all. To the Far East as a whole, also, an additional petroleum supply is important. In Sakhalin, far to the north, developments have been much less satisfactory to date than were anticipated, though whether this is due to natural or artificial conditions is not entirely clear. In Japan, despite long and earnest effort, only a small supply has been found, and on Formosa, aside from large volumes of gas, exploration has yielded even less.

Known oil fields in China are small and discovery of oil in the Jurassic beds in Manchuria is too recent to permit any sound judgment as to its extent. The fields in the Netherlands Indies have been important for more than a generation, but there is a growing conviction that sound management and excellent conservation methods have been at least as important as natural richness. What New Guinea and other areas now being explored will yield remains to be seen.

In all this search for oil, the Philippine venture evidently has a legitimate place. It may prove, as has frequently happened elsewhere in the world, that pools of commercial importance are absent, or that such pools as are present, though commercial, are small and scattered. Even so, it is of great national importance to know what is and what is not present. Even a negative result has a value. Meanwhile, the venture is based on careful studies and sound evidence, and is being conducted by experienced men along well established lines. It is a venture, yes, but so was Magellan's voyage. ★

HANDS ACROSS THE CHINA SEA



Randall Gould

By Randall Gould

THE geographic proximity of China and the Philippines is obvious. Their common ties and interests have not always been so easy to perceive. Political and other considerations have often, and over long periods, tended to sweep them in different directions and at times to make them seem almost parts of different hemispheres. Yet

there have always been factors tending to overwhelm such artificial separations. Today it is these factors, operating in a troubled world where many men's hands are against their neighbors, which are strongest in reviving and strengthening the natural feeling of kinship between continent and archipelago.

China certainly has progressed during recent years under a spur of urgent necessity. I think the same may be said for the Philippines. There has been a difference between the terms of necessity. China's problem for years has been one of trying to grow up before being dismembered. Of late this has taken a particularly acute form, yet essentially it remains a problem to which China is relatively accustomed. The aggravated crisis has been countered by a phenomenal advance in leadership and national unity.

The Philippines has fortunately been spared the test of bloodshed. Nevertheless, there has been an invisible crisis hardly less acute in the necessary trend toward greater self-government and eventual freedom, and in the resultant problems of maintaining an independent political and economic life.

Facing these tests of not merely capacity for self-development, but of actual national survival, both China and the Philippines have disclosed latent strengths hardly suspected by even their warmest friends. Each has moved in new directions—and many of their paths have been common ones. In each case, the example of the United States and the personal guidance of American citizens have played a most important part in directing the courses adopted.

A striking fact in each of these essentially Oriental lands has been the democratic urge. Until the present world crisis this choice may not have been so significant; today, however, every country must decide between democracy and totalitarian dictatorship. There seems no doubt that the present desire of both people in China and the Philippines is to "go democratic" in spite of all ob-

stacles. Such a choice, in this era of pressure politics, inevitably draws China and the Philippines together in a bond of common purpose.

There are other ties, of course. Proximity can produce strange reactions; in the case of China and the Philippines it has worked for greater friendship. Neither has ever displayed an aggressive attitude toward the other. Their national courses have been peaceful and harmonious. True, neither have they had the close economic relations their proximity would appear to warrant, but that was due to special circumstances which are now rapidly changing.

In the case of China, there was an innate conservatism and isolationism. As a nation, China has done little in promoting her foreign trade, even with lands as near as the Philippines. The Islands, on the other hand, have been inhibited by an economic development based on political ties with the United States. With Philippine-American relations changing as they are today, there is every reason to expect economic and other ties with China will be strengthened. This seems inevitable, even though Washington and Manila succeed in separating political independence from a complete economic severance which might be disastrous.

The question of blood relationships between the Chinese and the Filipinos is most interesting. In a conversation at Manila last year, Chinese Consul-General C. Kwangson Young remarked to me that it was difficult to estimate the precise number of Chinese in the Philippines because of the intermingling of Chinese emigrants with the Filipinos. It is part of this easy assimilability that the part-Chinese always consider themselves natives of the country in which they were born (although always remembering, and taking pride in, their Chinese blood). Although the 1939 census counted 130,000 Chinese, the actual number, including those of mixed blood, undoubtedly approached 400,000.

The example of the Philippines, progressing along political, economic, social and military lines, has been an inspiration to the people of China. There have been many points of resemblance between the problems of the two countries as they advance in world position. Not only China, but the Far East and the entire world, has been moved to admiration at the rapid progress of the Philippines under American tutelage. Themselves striving for freedom the Chinese have seen in the Filipino aspiration for independence a spiritual bond and a hope for their own success.

Given restored peace in China and a continuation of the peace enjoyed by the Philippines, the knitting of ties between the two countries will certainly proceed apace. Meanwhile troubled world conditions at least accentuate some of the elements of spiritual harmony between these two outposts of democracy. Such development is a by-no-means negligible basis for a rapidly progressing *entente* when world conditions permit. ★



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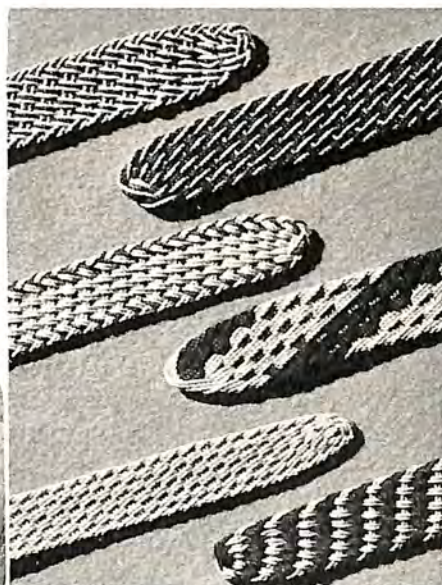
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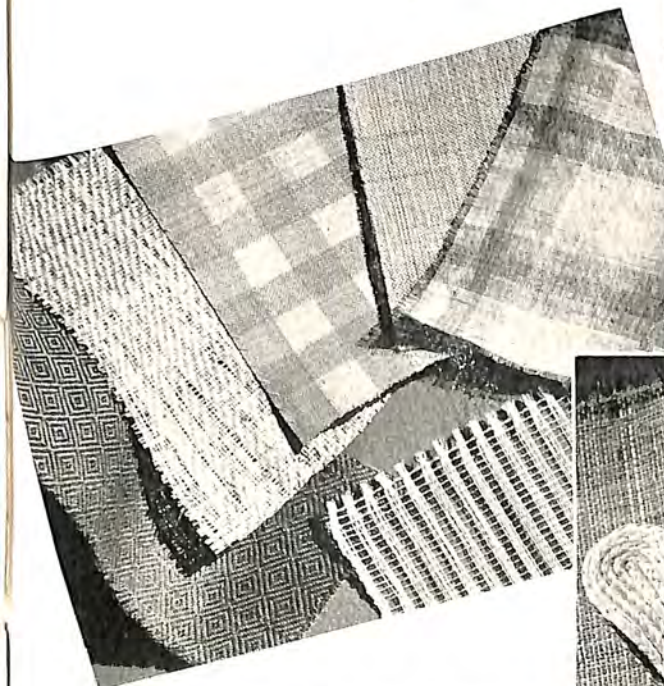
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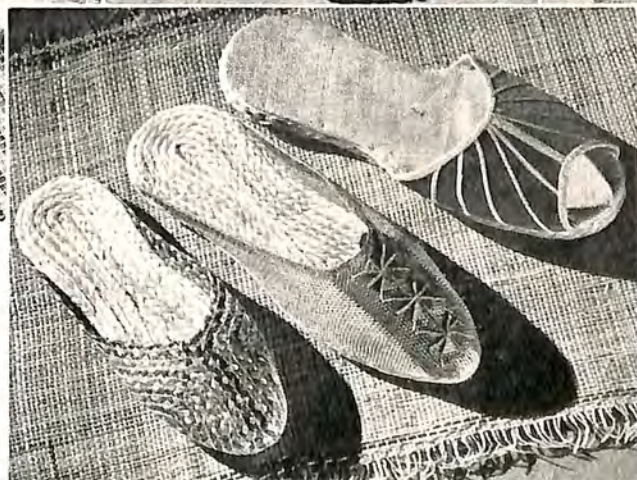
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